REQUEST FOR QUOTATION Addendum #1

State of West Virginia
Offices of the Insurance Commissioner

INS13019

Questions for the state of West Virginia Offices of the Insurance Commissioner (OIC)

1. Does the West Virginia Insurance Division utilize the NAIC Citrix server for their financial examinations? If not do they utilize their own server?

Answer: We can utilize the NAIC server or if preferred the Vendor can use their own.

2. If the West Virginia Insurance Division does not utilize a server application, can we use our company server application to complete the examination?

Answer: See # 1

3. Does the West Virginia Insurance Division allow off site field work or do they require the examination staff to be on site the entire examination?

Answer: Off-site work is allowed.

4. Can you provide us with the latest annual statement, examination report and CPA report for each of the companies?

Answer: To obtain copies of this information, please go to http://www.wvinsurance.gov/ or send an email request to Bids@wvinsurance.gov.

5. How many copies of each proposal should be sent?

Answer: Please submit 1 (one) original and 4 (four) copies.

6. Please clarify the deadline for submission of the bid?

Answer: All bids must be received and time stamped by March 6, 2013 @ 1:30 p.m. Any bid received after this date and time will be disqualified.

7. How many copies are required?

Answer: See response #5.

8. Please provide the number of staff and the level you are seeking for this RFQ. (i.e one EIC, one staff, one actuary, one IT, etc.)

Answer: 1 of each.

9. How many Department's staff will assist with this project?

Answer: 1-2

10. Please clarify if the responses should be mailed to you or e-mail is acceptable?

Answer: Our preferred method is to receive bids via mail at 1124 Smith Street, Charleston, WV 25301. However, we will accept bids via email at Bids@wvinsurance.gov.

11. Can you please let me know how to get the prior report of examination for the companies in the RFQ?

Answer: See response #4.

12. Can you also provide me with additional information on the business registration? I have signed up and have a user name and password. What else do I need to do?

Answer: You do not have to be a registered vendor to participate in the bid process. However, In order for the State of West Virginia to engage in an agreement, your company will have to be registered with the Department of Administration, Purchasing Division, the Secretary of State office, and the WV Tax Department. Please use the following web-links to access the information needed to complete the registration processes.

- http://www.state.wv.us/admin/purchase/vrc/default.html
- http://www.sos.wv.gov/business-licensing/Pages/FormIndexforBusinessFilings.aspx
- https://www.business4wv.com/B4WVPublic/default.aspx
- 13. Was the prior exam conducted on a "Risk Focused" or "SRA" basis?

Answer: Risk-Focus

14. How many man-days did each of the prior exams take?

Answer: 80-100 days for combined.

15. Was the prior exam performed by WVOIC or a vendor?

Answer: Vendor

16. Is company governed by SOX or MAR?

Answer: N/A

17. What is the risk recommendation by Financial Analysis for each company?

Answer: The company is an HMO domiciled in the State of WV and is licensed to provide coverage in 48 WV counties. The Company is also licensed in the State of OH to provide coverage in 8 OH counties.

- Number of States Licensed:
- Percentage of business written in:
 - West Virginia 53%
 - Ohio 47%
- > Lines of business written:
 - Commercial

- Medicaid
- Medicare
- Federal Employees Health Plan
- Individuals
- > Targeted market:
 - Commercial employer groups
- Primary source of revenue:
 - Underwriting gains
 - Investment income and realized gains
- > Reinsurance:
 - Ace American Insurance Company
- 18. Do you have the completed Exhibit B Exam Planning Questionnaire for each company?

Answer: Company in the process of preparing.

19. Are prior exam reports available for review by bidders?

Answer: See response #4.

20. The RFQ states WVOIC staff will be assigned to examination for training and participating in the work. How many staff examiners are anticipated to be assigned?

Answer: 1 to 2

21. May some of the examination work be performed remotely with approval and when appropriate?

Answer: Yes

22. Is the prior examination report available on the WVOIC website? If not, may we receive a copy?

Answer: See response #4.

23. Where is it anticipated the examination site will be? Health Plan of the Upper Ohio Valley states the primary location of its books and records is in St. Clairsville, OH. THP Insurance Company states the primary location of its books and records is in Morgantown, WV. Will the examination be conducted at both sites?

Answer: No main office is located in St. Clairsville, Ohio

24. Could you tell me the total assets and surplus for each company?

Answer: See response #4.